

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (5/07):**

**BUTTER:** Grade AA closed at \$2.1700. The weekly average for Grade AA is \$2.1517 (+.0200).

**CHEESE:** Barrels closed at \$2.0350 and blocks at \$2.1500. The weekly average for barrels is \$2.0720 (-.0755) and blocks, \$2.1500 (-.0390).

**NONFAT DRY MILK:** Extra Grade closed at \$0.9400 and Grade A at \$0.9400. The weekly average for Extra Grade is \$0.9400 (+.0120) and Grade A \$0.9400 (+.0120).

**BUTTER:** Butter markets are generally steady. Churning activity across the country is somewhat heavier as cream supplies become more available. Additional cream volumes are not always welcomed by some butter producers as cream prices, although lower, often remain higher than producers desire to pay. Stocks of butter continue to lag last year at this time. During the first three months of the year, cumulative butter production is down 22% unadjusted from last year or 89 million pounds less. Butter demand is fair. Some butter handlers and suppliers are stating that retail orders are generally steady, although overall buying patterns are lagging last year at this time. Some retailers are indicating that higher prices at retail might finally be meeting with consumer resistance. Food service orders have been fairly active as restaurants and food service outlets prepare for the upcoming Mother's Day holiday.

**CHEESE:** The cheese market is unsettled to weak. The cash block price at the Chicago Mercantile Exchange has found at least temporary support at \$2.15 while barrels continue to struggle. Current cheese production has increased seasonally. Coupled with lighter early May Class I milk needs, and slower cheese demand, inventory is accumulating at many plants. Cheese yields are steady to trending lower. Cumulative January - March 2004 (adjusted to 90 days) cheddar cheese production totals 680.3 million pounds, down 26.4 million pounds (-3.7%) from the same period in 2003. The adjusted 2004 total cheese output is 2.149 billion pounds, up 54.9 million pounds (2.6%) from 2003.

**FLUID MILK:** Milk production patterns across the country continue to develop along seasonal patterns. In the southern tier of states from Florida to California it appears that the seasonal peak might have been attained. In California, high temperatures for this time of the season likely tempered growth and in Arizona the high temperatures might have sealed the peak for the year. Milk producers and handlers in these regions are indicating that the milk flush this year was not as pronounced as in years past. Elsewhere in the country, temperatures and weather conditions are quite mild thus milk production patterns continue to develop toward the seasonal flush. Class I milk orders were higher late in April, but fell sharply after the first of the month. Buyers were ordering heavy over the last week of April to beat price increases on May 1. The fluid cream market is weaker and spot demand is seldom better than fair. Offerings are heavier, which may be the result of increased milk receipts at Class IV operations. Ice cream production remains relatively light. Warmer weather patterns may give a boost to soft serve mix sales, which have been rather sluggish so far this spring.

**DRY PRODUCTS:** Prices and the market tone for most manufactured dairy products are firm. Nonfat dry milk markets are firm with prices higher across the country. On May 3, pursuant to the notice D&DOD-167, CCC invites competitive offers, subject to the terms and conditions of Announcement DSCI to buy from CCC approximately 3,000,000 pounds of NDM for unrestricted use. Sales will now be based on competitive offers (bids) to buy and the volumes will be set with each new invitation. Many traders are interested in bidding on this powder but the sentiment is mixed on prices to bid. Dry buttermilk markets are firm although prices are mixed. Stocks are in close balance and often limited to contracts or for sellers catching up on past due orders. Increased churning activity at some locations is encouraging production of condensed buttermilk. To avoid higher prices associated with drying, some buyers are opting to purchase condensed buttermilk when possible. Whey powder markets remain firm although price increases seem to have slowed. Stocks range from balanced to sold out with some producers doing their best to get caught up. Some plants are reducing fluid milk flows into cheese/whey and diverting milk to Class IV production. Others are increasing their production due to seasonal increases in the milk supply.

**CCC:** During the week of May 3 - 7, CCC purchased no manufactured dairy products under the Dairy Support Program.

On May 3, CCC announced for sale, Government owned skim milk for restricted and unrestricted use. An invitation for bids under RSC1 #022 was issued to buy from CCC approximately 500,000 pounds of NDM for restricted use. Under invitation DSCI #010, bids are being sought to purchase from CCC approximately 3,000,000 pounds of NDM for unrestricted use. The due date for both of these invitations is May 10, 2004.

**APRIL AGRICULTURAL PRICES HIGHLIGHTS:** The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2004 was unchanged at 133. Compared with April 2003, the index was up 5 points (3.9%). The index of prices received by farmers for dairy products advanced 20 points during the month of April 2004 to 138. Compared with April 2003, the index was up 54 points (64.3%). Prices received by farmers in April 2004 with changes from March 2004 were: for All Milk, \$18.00, up \$2.60; for Fluid Grade Milk, \$18.00, up \$2.60; and for Manufacturing Grade Milk, \$18.60, up \$3.40.

**MARCH 2004 DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 97.7 million pounds during March, down 22.7% from March 2003 and 7.7% lower than February 2004. Total cheese production totaled 778.8 million pounds, 6.6% more than last March and 10.6% heavier than last month. Current monthly dry dairy product output and the comparison to March 2003 are as follows: Human food NDM, 118.1 million pounds, down 24.0%; dry whole milk 3.4 million pounds, up 2.0%; dry buttermilk 4.4 million pounds, down 23.6%; and human food quality dry whey 81.5 million pounds, down 10.7%.

## \*\*\*\*SPECIAL THIS ISSUE\*\*\*\*

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

PRODUCT	MONDAY MAY 3	TUESDAY MAY 4	WEDNESDAY MAY 5	THURSDAY MAY 6	FRIDAY MAY 7	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$2.1400 (-.0050)	\$2.1150 (-.0250)	\$2.0350 (-.0800)	\$2.0350 (N.C.)	\$2.0350 (N.C.)	(-.1100)	\$2.0720 (-.0755)
40# BLOCKS	\$2.1500 (-.0175)	\$2.1500 (N.C.)	\$2.1500 (N.C.)	\$2.1500 (N.C.)	\$2.1500 (N.C.)	(-.0175)	\$2.1500 (-.0390)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	(N.C.)	\$.9400 (+.0120)
GRADE A	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	(N.C.)	\$.9400 (+.0120)
<b>BUTTER</b>							
GRADE AA	\$2.1325 (N.C.)	-----	\$2.1525 (+.0200)	-----	\$2.1700 (+.0175)	(+.0375)	\$2.1517 (+.0200)

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, MAY 3, 2004

CHEESE --SALES: 12 CARS 40# BLOCKS: 1 @ \$2.1375, 2 @ \$2.1400, 1 @ \$2.1425, 8 @ \$2.1500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$2.1400; 1 CAR 40# BLOCKS @ \$2.1600  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

TUESDAY, MAY 4, 2004

CHEESE -- SALES: 24 CARS 40# BLOCKS: 1 @ \$2.1425, 1 @ \$2.1450, 1 @ \$2.1475, 1 @ \$2.1500, 1 @ \$2.1450, 2 @ \$2.1475, 1 @ \$2.1500, 3 @ \$2.1475, 1 @ \$2.1500, 3 @ \$2.1475, 1 @ \$2.1500, 2 @ \$2.1475, 1 @ \$2.1500, 2 @ \$2.1475, 1 @ \$2.1500, 1 @ \$2.1475, 1 @ \$2.1500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ \$2.1150, 1 @ \$2.1325, 1 @ \$2.1400  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, MAY 5, 2004

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$2.0500, 2 @ \$2.0400; 8 CARS 40# BLOCKS: 1 @ \$2.1450, 4 @ \$2.1500, 1 @ \$2.1450, 1 @ \$2.1500, 1 @ \$2.1450; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$2.1500; OFFERS UNCOVERED: 4 CARS BARRELS: 2 @ \$2.0350, 1 @ \$2.1050, 1 @ \$2.1150  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR EXTRA GRADE @ \$0.9500; 1 CAR GRADE A @ \$0.9500  
 BUTTER -- SALES: 15 CARS GRADE AA: 2 @ \$2.1325, 1 @ \$2.1300, 2 @ \$2.1400, 2 @ \$2.1425, 1 @ \$2.1350, 1 @ \$2.1425, 1 @ \$2.1450, 1 @ \$2.1475, 1 @ \$2.1500, 1 @ \$2.1525, 1 @ \$2.1500, 1 @ \$2.1525; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$2.1450, 1 @ \$2.1400, 1 @ \$2.1325, 1 @ \$2.1300, 2 @ \$2.1000; OFFERS UNCOVERED: NONE

THURSDAY, MAY 6, 2004

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$2.1500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, MAY 7, 2004

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$2.1500; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$2.1500; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$2.0350, 1 @ \$2.0550  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 8 CARS GRADE AA: 1 @ \$2.1575, 1 @ \$2.1600, 1 @ \$2.1625, 2 @ \$2.1650, 2 @ \$2.1675, 1 @ \$2.1700; BIDS UNFILLED: 5 CARS GRADE AA: 2 @ \$2.1525, 3 @ \$2.1500; OFFERS UNCOVERED: NONE

BUTTER MARKETS

MARCH BUTTER PRODUCTION

During March 2004, butter production in the United States totaled 97.7 million pounds, 22.7% less than March 2003 and 7.7% less than February 2004. The following are March to March changes for various states: CA-17.4%, NY -12.4%, PA -7.1%, and WI -32.8%.

NORTHEAST

The market tone is showing continued signs of weakness. Trading activity at the CME has been almost non-existent during the past two sessions (only one offer). This is in sharp contrast to the 50+ loads that were sold on April 28. In the Northeast, churning activity did increase slightly last week as more excess cream was available. However, some contacts feel that cream will tighten slightly this week when bottling/standardization slows. Demand for butter seems to be less aggressive than past weeks, but there is still an underlying feeling that butter will be tight later this summer and people at all levels of the market are trying to make sure they will have enough when they need it. Retail sales are steady, but increasing prices are starting to have more of an impact on consumers. Food service orders are slowing now that Mother's Day orders are being filled. Most wholesalers are very busy delivering to restaurants this week. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 5.5 cents over the CME price/average.

CENTRAL

The butter market is basically steady, although the cash price firmed slightly at mid week to \$2.1525. Producers and handlers have mixed opinions as to the stability of the market at or near current levels. Some indicate that buyers may go to the CME to secure needed volumes no matter what the cost might be while others hope that conditions maintain themselves versus the wide range of fluctuation which has occurred in recent weeks. Most producers and handlers indicate that their supply situation is not at desired levels, thus many are taking advantage of available cream offerings or finished butter when available. Butter producers and handlers state that cream prices are much higher than desired, but are often taking advantage of the offerings.

Most continue to voice their concern about having sufficient butter supplies for summer and fall needs. Current butter demand is fair at best. Some butter handlers and suppliers are stating that retail orders are generally steady, although overall buying patterns are lagging last year at this time. Some retailers are indicating that higher prices at retail might finally be meeting with consumer resistance. Food service orders have been fairly active as restaurants and food service outlets prepare for the upcoming Mother's Day holiday. Bulk butter for spot sale is being reported in the 2 - 4 cents per pound range over various pricing basis.

WEST

Butter prices have fallen more than 20 cents from the recent high set on April 14 at the cash CME market. Trading was very active the first two sessions of last week with 87 cars changing hands. Trading for the last three sessions has been lighter. More cream is becoming available in the region, but contacts wonder if that will change if prices continue to fall. Most assume that ice cream plants have not put away enough product to cover summer needs because of the very high early season prices. Therefore, as prices fall, the assumption is that demand will increase from ice cream operations. Temperatures are reaching over 100 degrees in the Southwest and into the high 80's in the High Plains. Butter sales at the retail level are beginning to stall as more of the price increases are passed through the marketing chain. Also, most orders from food service accounts for the Mother's Day weekend have been filled. No back up in butter stocks is noted at this time. CME weekly warehouse stocks fell by 822,000 pounds last week to stand at 89.4 million pounds. This inventory level remains substantially below the last two years. U.S. butter output in March is 97.7 million pounds, down 22.7% (-28.7 million pounds) from last year. Cumulative output for the first three months is down 22% unadjusted from last year or 89 million pounds less. Butter output in the Western region in March is 41.7 million pounds, down 17.1% from last year. The Western region produced 43% of U.S. butter output in March. Current prices for bulk butter range from flat market to 3 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
MAY 1	2,1474	2,1691	0,8258	2,2591	0,2978
	8,923,015	10,593,928	21,150,839	2,861,520	10,639,593

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

**CHEESE MARKETS**

**NORTHEAST**

For the first time since late January, the weekly average for cheese at the CME declined. The market tone, though firm, is showing more signs of weakness. Current cheddar cheese supplies are balanced to light, but more is being offered at the CME. All but one of the 12 sales recorded at the CME on May 3 were based on offers. Cheese output in the Northeast remains relatively light. The anticipated high price of May Class III milk and the slipping prices of cheddar, have some producers rethinking output strategies. Current demand for cheese ranges from slower to fairly good. Higher retail prices are having some impact on sales, but recent diet fads are helping boost interest in cheese. Food service orders are slowing now that most Mother's Day needs have been placed and in the process of being delivered.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	2.2575-2.7725
Cheddar Single Daisies	:	2.2150-2.6900
Cheddar 40# Block	:	2.3275-2.5900
Process 5# Loaf	:	2.3575-2.5600
Process 5# Sliced	:	2.3775-2.6175
Muenster	:	2.4300-2.6325
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

**MIDWEST**

Prices are unchanged to lower. The price declines are the first since late January. The cheese market is steady to weaker. Recent price weakness and often lighter cheese sales have many buyers nervous about taking any sizeable positions. While some traders expect prices could remain above \$2.00 until fall, others are less bullish expecting short term weakness followed by possible even higher prices later. Lead times for placing orders have returned to more normal lengths at some plants. Generally, buyers remain hesitant for more than hand to mouth orders though restaurant orders (Mother's Day) are fair to good. Offerings of more varieties such as mozzarella are increasing with some extra volume being switched to cheddar or other "storable" varieties. The problem still remains that under current prices, who wants to gamble that prices will remain high enough to, at least, break even by fall if cheddar is put into an aging program. Cheese production is steady to generally higher as some seasonal increases in milk receipts are occurring.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	2.3400-2.5600
Brick And/Or Muenster 5#	:	2.5400-2.8550
Cheddar 40# Block	:	2.2650-2.5525
Monterey Jack 10#	:	2.2650-2.7950
Blue 5#	:	2.9500-3.2500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.4400-2.4975
Grade A Swiss Cuts 6 - 9#	:	2.5075-2.8300

**WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

	BUTTER	:	CHEESE
05/03/04	40,003	:	132,588
05/01/04	40,348	:	132,971
CHANGE	-345	:	-383
% CHANGE	-1	:	-0

**WEST**

Average cash cheese prices at the CME fell for the first time since the end of January last week. The wider than normal barrel/block spread at mid-week this week has some in the market worried about how the trading will work this out. Sales activity at the retail level is beginning to slow down as more of the past price increases are passed along. Some plants are taking some down time in their cut and wrap operations. Cheddar cheese remains in decent balance while mozzarella is showing some signs of backing up. Swiss cheese price increases are just starting to have an impact and a number of firms still have buy-in programs in place. Very few plants in the region, if any, are searching for additional milk supplies at this time. Many are seeing some seasonal production increases, but they are being categorized as subdued. March total cheese production has reached 778.8 million pounds, an increase of 6.6% from last year (+48.5 million pounds). Output in the Western region is up 10.4% (+29.6 million pounds) to reach 313.2 million pounds. The Western region produces just over 40% of the cheese in the U.S. Swiss output in March for the U.S. totaled 24.1 million pounds, up 13.2% from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	2.2950-2.5550
Cheddar 40# Block	:	2.3125-2.7025
Cheddar 10# Cuts	:	2.4925-2.7125
Monterey Jack 10#	:	2.5025-2.6625
Grade A Swiss Cuts 6 - 9#	:	2.4500-2.8700

**FOREIGN TYPE**

Prices are mixed, mostly lower on domestic styles. The market tone is unchanged. Demand for foreign type cheese ranges from fair to good with best interest on cheeses used in processing. However, Mother's Day does give a boost to food service sales. This week, distributors are very active in getting orders out to restaurants.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	:	NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
	:		:
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-4.1900	: 2.5525-4.0425*
Gorgonzola	:	3.6900-5.9400	: 2.4900-3.0750*
Parmesan (Italy)	:	TFEWR	: 3.9625-4.0725*
Romano (Italy)	:	2.1000-3.1500	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 2.5625-2.7875*
Romano (Cows Milk)	:	-0-	: 3.7500-5.9225*
Sardo Romano (Argentina)	:	2.8500-3.2900	: -0-
Reggianito (Argentina)	:	2.6900-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7500-3.8900	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.4500-2.6500*
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	TFEWR	: -0-
Edam	:		:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-3.4500	: -0-
Gouda, Large	:	TFEWR	: -0-

\* = Price change.

FLUID MILK AND CREAM

EAST

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	207	0	162	0	159
SOUTHEAST STATES	0	0	0	0	0	0

The following are the April 2004 Class and component prices under the Federal Milk Order pricing system: Class II \$15.21 (up \$0.42 from March), Class III \$19.66 (up \$5.17); and Class IV \$14.57 (up \$0.47). The Class III price is a record high. The following are the product price averages used in computing Class prices: butter \$2.1994, NDM \$0.8171, cheese \$2.0520, and dry whey \$0.2602. The Class II butterfat price is \$2.5083 and the Class III/IV butterfat price is \$2.5013. Milk production is reported as steady in the more southern states, steady to slightly higher in the mid-South, and increasing slowly but steadily in the Northeast. This year's seasonal flush hasn't materialized to any great degree. Contacts feel that the flush isn't the phenomenon that it used to be. Getting cows on green grass now seems to have the biggest impact on milk production gains. Class I milk orders are slower this week as most retailers loaded their coolers late last week and are working off those inventories. Orders for this weekend's deliveries are starting to get back to regular volumes as stores start to reorder. May's Class I milk price increase (\$6.01 per cwt.) is being passed along at retail and some resistance to these higher prices is noted. The slower demand plus steady milk output forced Florida handlers to move heavier volumes out of state for processing. Some of these loads did move to Mid-Atlantic plants, but most stayed in the Southeast. Most of the balancing plants in the Southeast were operating this week. May's sharply higher Class III milk prices (see above) have many cheese producers reducing/reassessing their operating schedules. Consequently, butter/powder plants are seeing heavier receipts this week and plant contacts feel that their May receipts will be quite a bit more than April's. The condensed skim market is unchanged and prices are steady. However, May's estimated Class III skim milk prices moved higher and producers expect to push their prices higher. This would likely have little impact on the market since there were no spot sales of condensed skim reported during April due to the high price. There are few spot loads being reported for any Class condensed skim. The fluid cream market is weaker and spot demand is seldom better than fair. Offerings are heavier, which may be a result of increased milk receipts at Class IV operations. Contracts make up the majority of the Class II sales and more excess cream is clearing to local and Midwestern butter plants. Prices are generally lower as the CME average price for butter dropped 17.5 cents last week and multiples are often lower. This week, the higher multiples were noted on the "early sales." Clearances to Class IV operations were heavier and sales were often based on the market date-of-shipment. Ice cream production remains relatively light. Warmer weather may give a boost to soft serve mix sales, which have been rather sluggish so far this spring. Cream cheese makers are also just taking contracted loads. Bottled cream production and sales vary depending on where strawberries are in season.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT	
F.O.B. PRODUCING PLANTS: NORTHEAST	- 2.6220-2.8778
DELIVERED EQUIVALENT ATLANTA	- 2.6433-2.8991 M 2.6859-2.8138
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	- 2.8778-2.9844
PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS	
F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .8700- .9300
NORTHEAST- CLASS III - SPOT PRICES	- 1.2400-1.3000

MIDWEST

Warmer weather covered much of the Upper Midwest this week. Milk production is increasing slowly in the more northern areas, steady in the southern part of the region. The flush, such as it was, has come and gone in most of the Southern states and is just now hitting in the north. Many contacts commented on the fact that this year's flush is almost non-existent. This week, bottlers took less milk early and more surplus milk was available within the region. The heavy bottling prior to the Class I milk price change in May, some colleges are finishing classes, and the higher retail prices for milk have combined to slow orders for bottled milk. Also, the higher prices for Class III milk have some cheese makers temporarily reducing schedules. Consequently, more milk is on the market. Couple that with slower demand, the surplus milk spot prices are being discounted to attract interest.

This week, in limited trading, spot manufacturing milk prices ranged from \$1.50 under Class to flat Class, f.o.b. The fluid cream market is weaker as offerings are increasing and demand seems to be holding. Spot prices are significantly lower due to the 17.5 cent drop in last week's CME average butter price. Some excess cream is clearing to butter makers, but with the increasing offerings, multiples for Class IV use are often in the 118 - 120 range and often based on the butter price, date of shipment. The condensed skim market is unchanged and generally contractual. No Class III condensed skim is reported as asking prices, due to anticipated Class III skim milk prices for May, are now in the \$1.50 area.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APR 29 -MAY 05	PREVIOUS YEAR
SLAUGHTER COWS	\$ 52.00- 60.00	N.A.
REPLACEMENT HEIFER CALVES	\$380.00-530.00	N.A.

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APR 29 -MAY 05	PREVIOUS YEAR
SLAUGHTER COWS	\$ 53.00- 60.50	\$ 38.00- 47.00

WEST

The April 4a price (butter/powder) in CALIFORNIA is \$14.32, up \$4.76 from March 2003 and \$0.39 higher than last year. This compares to the Federal Order Class IV price for April at \$14.57. The April 4b price (cheese) is \$19.88, up \$4.31 from March and \$10.67 higher than last year. This compares to the Federal Order Class III price for April at \$19.66. CALIFORNIA milk output is mostly steady. Hotter temperatures did not cut milk production but likely tempered growth. Cooler temps returned by midweek. A couple of plants had scheduled and unscheduled downtimes and created a backup of milk supplies. The drop in cheese prices has created more reluctance among processors to take additional milk. Class I orders fell sharply after the first of the month. Buyers were ordering heavy over the last week of April to beat price increases on May 1. ARIZONA daytime highs have surpassed 100 degrees and these levels are holding for many days. The impact on milk production has not been reported yet, but may have sealed the peak for the year. Plants are running on normal schedules. Milk output in NEW MEXICO continues to trend upwards. Conditions have been favorable and cows are responding. Milk is moving to local and out of area plants as planned. CREAM demand continues to be less aggressive than just a few weeks ago. There are fewer cream offerings, but buying interest is somewhat subdued. More cream is being churned in some areas, which is welcomed by most butter producers. The butter market increased to \$2.1525 on Wednesday, after declining last week to a low of \$2.1300. Ice cream makers' demand for cream is fair to good. Cream multiples range from 108 to 127, FOB, and vary depending on class usage and basing point. Most of the early season grass has been harvested on the west side of the Cascades in the PACIFIC NORTHWEST. Quality and volumes were rated as good. Temperatures are moderate, but conditions are on the dry side. More concern is being expressed about water for agriculture this summer. Most in the region are stating that milk production is awfully slow in coming up this spring. Last week, more cream was available in the region than anticipated, but this week, supplies are back to more expected levels. The hay harvest is just starting east of the mountains. Some hay should be ready for the market by next week. Some areas are cutting 1-2 weeks ahead of normal. Offering prices are \$10-20 higher than last year. Some dairies have bought up additional supplies of old crop hay in the last few weeks as a hedge against possible tight supplies this summer and higher prices. Cow culling rates remain on the low side even with prices well into the 50 cent range. Dairies are searching for additional heifers or springing cows with little success. Conditions in much of IDAHO and UTAH are from 10-15 degrees warmer than normal for this time of year. Some hay growers are noting stress on their alfalfa before they could get water on it this spring. Some water systems are not turned on yet and growers are wondering if they will get water to finish off their first cutting. The crop seems to be 1-2 weeks ahead of normal. Some growers are wondering if they should alter their normal cutting cycle to back off a cutting or so to finish earlier before the chance of water running out becomes more of an issue. Comments are noted that there will be very little corn planted in the region because of low water supplies. The current milk flow in the region is increasing at a very slow rate. Tests on incoming milk receipts are at average seasonal levels. Heifer prices within the region are firm with average pricing noted between \$2050-2125. The top end is now over \$2600. Some expanding facilities are scrambling to find animals to fill their stalls since they don't think the border will open any time soon.

**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Prices are higher on a firm market. Supplies of low heat are limited with most trade occurring on contracts or via resellers. Many traders are interested in bidding on CCC owned NDM but the sentiment is mixed on prices to bid. Low heat production is steady to higher. Reduced fluid milk interest from some Class I and III users is encouraging milk intakes to increase into NDM plants. Heavier milk supplies are also reported in areas where schools/colleges are in recess for the summer. High heat supplies are tight with some buyers getting shorted on their contractual loads. Production of high heat is limited for the good interest.

**EAST:** Eastern prices are steady to higher. May's base NDM price for the largest supplier in the U.S. increased approximately two cents from April. Production levels are up as most butter/powder plants saw their milk receipts increase this week. This was caused by a combination of slightly higher milk production, slower demand from bottlers, and the sharply higher Class III milk prices. In the Northeast, most dryers were operating on heavier schedules. However, most of this extra output is already committed to regular accounts. Little NDM is available for spot sale. This week, CCC announced the resumption of sales of CCC-owned NDM for unrestricted use. However, sales will now be based on competitive offers (bids) to buy and the volumes will be set with each new invitation. The trade has mixed opinions about this process. Demand for NDM is about steady. High heat powder remains in the tightest supply position. It was announced that beginning in June, some producers will be adding an energy surcharge to their NDM prices in an attempt to recoup some of the rising costs of natural gas.

**DAIRY PRODUCTS:** Production of human food, nonfat dry milk during March 2004 totaled 118.1 million pounds, down 24.0% from March 2003 but 2.0% above February 2004. Month ending stocks, at 89.5 million pounds, are 27.0% below a year ago and 6.0% below last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUMHEAT: .8300 - .9800 MOSTLY: .8575 - .8850  
 HIGHHEAT: .8625 - 1.2000

**NONFAT DRY MILK - WEST**

Low/medium heat nonfat dry milk prices in the West are higher. The market tone continues to firm. Spot availability is limited. Production remains stable at high levels. Many plants are running near capacity to handle the seasonal milk flow. Buying interest is slower this week. Some buyers have filled short term needs and are assessing future needs and pricing levels. Another concern is that more NDM could back out of cheese production with cheese prices currently declining. On May 3, Pursuant to the Notice to the Trade D&DOD-167, CCC invites competitive offers, subject to the terms and conditions of Announcement DSC1 to buy from CCC approximately 3,000,000 pounds of NDM for unrestricted use. Offers are due on May 10. No support price purchases were made for the week of April 26 - 30. High heat NDM prices moved slightly higher in very limited trading. Production levels remain light as processors maximize milk throughput with low heat and don't have time for high heat. Stocks are light. U.S. NDM production in March totaled 118.1 million pounds, down 24.0% from last year but 2.0 higher than February. March production in the Western region totaled 95.3 million pounds, down 20.2% from last year. Western states' production levels with comparisons to last year are: California, 62.4 million pounds, -10.3%; and Idaho, 9.7 million pounds, -30.4%. U.S. manufacturers' stocks at the end of March were reported at 89.5 million pounds, down 27.0% from last year and 6.0% less than last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUMHEAT: .8150 - .9500 MOSTLY: .8200 - .8800  
 HIGHHEAT: .8425 - .8900

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 30	\$.8126	14,328,738	0
April 23	\$.8137	12,762,686	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, CA Department of Food and Agriculture.

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged and nominal on a firm market. Unconfirmed sales are reported above the range. Increased churn activity at some locations is encouraging production of condensed buttermilk. To avoid higher prices associated with drying, some buyers are opting to purchase condensed buttermilk when possible. Spot load availability of dry buttermilk is light with most trade occurring on a contractual basis. Production of dry buttermilk during March 2004 totaled 4.4 million pounds, 23.6% less than March 2003 and 17.0% below February 2004. Month ending stocks, at 6.1 million pounds, are 33.9% below a year ago but 15.8% more than February 2004.

F.O.B. CENTRAL: 1.0775 - 1.2700

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

The dry buttermilk prices are mixed. The Northeastern price range remains nominal and includes resale prices. The market tone is firm. Current production is up slightly now that cream volumes are heavier. Plant stocks are well balanced and most producers are limiting sales to regular accounts. Demand is improving in some areas, steady elsewhere. Dry buttermilk production during March 2004 totaled 4.4 million pounds, down 23.6% from last March and 17.0% less than February 2004. Month ending stocks, at 6.1 million pounds, are 33.9% less than last year but 15.8% more than a month ago.

F.O.B. NORTHEAST: 1.0000 - 1.1900  
 DELVDSOUTHEAST: .9800 - 1.2000

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices continue to move higher. The market tone is firming but pricing levels are slow to catch up to prices in other regions. Part of the reason is that very little product is available to test the spot market with most transactions under contract or sellers catching up on past due orders. Several comments were heard from buyers thankful to find pallet quantities available. Stocks are limited. U.S. dry buttermilk production in March totaled 4.4 million pounds, down 23.6% from last year and 17.0% lower than February. Stocks at the end of March were reported at 6.1 million pounds, 33.9% less than last year, but 15.8% higher than last month.

F.O.B. WEST: .9600 - 1.0100 MOSTLY: .9700 - 1.0000

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged to higher as producers adjust prices to the new Class IV milk prices announced last week. Prices remain nominal as few spot sales are being reported. Production levels are light. Eastern producers don't have a lot of milk to process while some Western plants have too much milk and can't take the time to switch to making dry whole milk. Demand is steady. Dry whole milk production during March 2004 totaled 3.4 million pounds, up 2.0% from last March but 13.7% less than February 2004.

F.O.B. PRODUCING PLANT: 1.4150 - 1.5900

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2003 - YTD  
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	68,201	MT (150,355,925 LBS)
CHEESE	--	3,030	MT (66,799,938 LBS)

Allocations for the DEIP year beginning July 1, 2003, were announced on August 15 and total 68,201 MT of NDM, 3,030 MT of cheese, and 21,097 MT of butterfat. (These totals are unchanged from last year's program.) This program-year's allocations are again being announced in stages. Stage one allocations are:  
 NDM -- 22,733 MT, butterfat -- 7,032 MT, and cheese -- 1,010 MT.  
 Stage two allocations are: NDM -- 45,468 MT and cheese -- 2,020 MT. These fill the program-year allocations for these products. The allocation for butterfat announced in stage one remains in place and leaves a balance for future, possible allocations.

**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Prices are mostly unchanged on a steady market. Manufacturers and resellers are less apt to offer at market premiums reported during the previous weeks. Some resale loads are trading below the range. Traders that receive regular contractual shipments of whey from suppliers are noting that some suppliers are offering out additional loads. Production is mixed. Some plants are reducing fluid milk flows into cheese/whey and diverting milk to Class IV production. Others are increasing their intakes due to seasonal increases in the milk supply. Production of human food, dry whey during March 2004 totaled 81.5 million pounds, 10.7% less than March 2003 but 6.3% above February 2004. Month ending stocks, at 31.7 million pounds, are 28.1% below a year ago and 2.8% less than February 2004.

F.O.B. CENTRAL: .3050 - .3250 MOSTLY: .3050 - .3150

**DRY WHEY - NORTHEAST AND SOUTHEAST**

The dry whey market remains firm, but price increases seem to have slowed down. They appear to be stable at current levels. Producers in the Northeast are generally sold out for several months and doing their best to get caught up. No spot sales at the producer level have been reported. The Northeast price range is nominal and includes resale prices. Production levels are light. With Class III milk prices approaching and expected to be over \$20.00, many cheese makers are looking to lower plant schedules now that cheese prices appear to be easing lower. Production of human food, dry whey during March 2004 totaled 81.5 million pounds, 10.7% less than March 2003 but 6.3% more than February 2004. Month ending stocks, at 31.7 million pounds, are 28.1% below last year and 2.8% less than a month ago. Production of animal feed, dry whey during March totaled 10.7 million pounds, 46.5% more than a year ago and 47.0% above February 2004.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3150 - .3400  
DELVD SOUTHEAST: .3250 - .3600

**DRY WHEY - WEST**

Higher prices continue to be noted for Western whey powder. Powder continues to move from the West into the Central region. The price spread is sufficient to cover the freight cost. More price resistance is developing on export sales of powder. No real stock building is occurring at the producer level with the situation remaining balanced. U.S. production of edible whey in March totals 81.5 million pounds, a decrease of 10.7% (9.7 million pounds) from last year. Western region output, overall, was down 12.8% with California down 22.5% and Utah down 36.6%. Stocks at the end of March for the U.S. total 31.7 million pounds, down 28.1% from last year or 12.4 million pounds.

NONHYGROSCOPIC: .2300 - .3000 MOSTLY: .2500 - .2750

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to higher and nominal on a steady to firm market. The market for milk replacer whey varies with the quality. Supplies are limited for the fair interest. Due to the higher prices of whey, some feed buyers are opting to instead purchase permeate or lactose. Production of animal, dry whey during March 2004 totaled 10.7 million pounds, 46.5% more than March 2003 and 47.0% above February 2004. Month ending stocks, at 4.5 million pounds, are nearly double (196.8%) levels from a year ago but 23.2% less than February 2004.

F.O.B. CENTRAL:  
MILK REPLACER: .2700 - .3000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are higher on a firm market. Production is unchanged to lower. In some areas, available supplies of condensed whey are reduced in response to lower cheese production. At other locations, whey solids are being directed toward more profitable higher protein markets instead of WPC 34%. Export interest is reported as good, especially with NDM limited in supply. The CCC invitation for bids on NDM for restricted use, is expected to displace WPC 34% demand from the feed sector. Due to the limited allotment (500,000 pounds) the impact is not expected to be significant. Production of HUMAN FOOD WPC during March 2004 totaled 25.7 million pounds, down 2.8% from March 2003 but 8.5% above February 2004. Manufacturers' end-of-month stocks totaled 19.9 million pounds, 28.0% lower than a year ago and 13.9% below last month. Production of ANIMAL FEED WPC during March 2004 totaled 3.5 million pounds, up 16.8% from March 2003 and 0.5% above February 2004. Manufacturers' end-of-month stocks totaled 2.3 million pounds, 30.6% above last year but 36.0% lower than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .5975 - .6450 MOSTLY: .6175 - .6375

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged on a steady market. Supplies are generally in balance with demand. Some plants are offering out additional loads. Inquiries are noted from areas throughout Asia. Due to the higher price of whey, lower mesh size lactose is trading into some feed export markets as a substitute to whey. Spot trade of lactose for edible markets is light. Some contractual export shipments are reportedly being delayed due to a lack of available containers and trucker strikes. Some quotes for third quarter and/or the rest of the year are being reported at flat prices. Lactose production during March 2004 totaled 55.9 million pounds, up 13.4% from March 2003 and 9.0% higher than February 2004. Month ending stocks, at 50.7 million pounds, are 14.6% higher than a year ago and 7.3% above last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .2200 - .2700 MOSTLY: .2300 - .2450

**CASEIN - NATIONAL**

Rennet and acid casein markets remain firm. Prices are generally unchanged, although suppliers anticipate additional price strength during upcoming months. Stocks remain in very close balance and are often referred to as short of full needs. Some domestic casein producers that were taking part in purchasing government owned skim milk powder for the production of casein/caseinates are now questioning if this source will be around much longer. The recent two rounds of bids have been rejected due to price, although prices rejected had been accepted in previous rounds of bidding. Now that the government is selling skim milk powder for restricted and unrestricted use at higher prices, most feel that the casein/caseinate production opportunity that has been in place since June 2002 is in jeopardy.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.3500 - 2.5500  
ACID: 2.3500 - 2.4800

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are increasing, particularly in those operations regulated under Federal milk marketing orders. Those operations are back on line after making little or no evaporated milk during April. Demand is seasonally fair. Plant inventories are light. This week's increase in surplus milk volumes may help some operations find the milk they need to get back on line. Canned evaporated milk production during March totaled 47.3 million pounds, 8.5% less than March 2003 but 23.3% more than February 2004. Month ending stocks, at 48.0 million pounds, are 9.2% less than a year ago but 5.1% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

MONTHLY SUMMARY AND AVERAGES FOR APRIL 2004 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, C/L/T/L)

COMMODITY	:REPORT NUMBER 13		:REPORT NUMBER 14		:REPORT NUMBER 15		:REPORT NUMBER 16		:REPORT NUMBER 17		2004	2003
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	: APR 01 - 02	: APR 05 - 09	: APR 12 - 16	: APR 19 - 23	: APR 26 - 30	: or Total	: or Total					
<b>CHEESE</b>												
WISCONSIN (WSP, Delivered, LTL)												
- Process American 5# Loaf	:: 2.1800 - 2.3525	:: 2.2275 - 2.4600	:: 2.2750 - 2.4600	:: 2.3200 - 2.4925	:: 2.3400 - 2.5600	:: 2.3805	: 1.3593					
- Brick And/Or Muenster 5#	:: 2.2200 - 2.6800	:: 2.4400 - 2.7325	:: 2.4400 - 2.7775	:: 2.4400 - 2.8350	:: 2.5400 - 2.8550	:: 2.6159	: 1.6163					
- Cheddar 40# Block	:: 2.1150 - 2.3775	:: 2.2650 - 2.4300	:: 2.2650 - 2.4750	:: 2.2650 - 2.5325	:: 2.2650 - 2.5525	:: 2.3690	: 1.7775					
- Monterey Jack 10#	:: 2.1150 - 2.6200	:: 2.2650 - 2.6725	:: 2.2650 - 2.7175	:: 2.2650 - 2.7750	:: 2.2650 - 2.7950	:: 2.4902	: 1.9075					
- Blue 5#	:: 2.7750 - 2.9300	:: 2.8275 - 3.1500	:: 2.8725 - 3.1500	:: 2.9300 - 3.1500	:: 2.9500 - 3.2500	:: 3.0184	: 2.0275					
- Mozzarella 5 - 6#	:: 2.1200 - 2.3225	:: 2.3400 - 2.3750	:: 2.3400 - 2.4200	:: 2.3400 - 2.4775	:: 2.4400 - 2.4975	:: 2.3872	: 1.8163					
- Grade A Swiss Cuts 6 - 9#	:: 2.1500 - 2.6850	:: 2.4500 - 2.8300	:: 2.4500 - 2.8300	:: 2.4600 - 2.8300	:: 2.5075 - 2.8300	:: 2.6274	: 2.3175					
NORTHEAST (WSP, Delivered, LTL)												
- Cheddar 10# Prints	:: 2.0925 - 2.5975	:: 2.1450 - 2.6500	:: 2.1900 - 2.6950	:: 2.2475 - 2.7625	:: 2.2675 - 2.7825	:: 2.4564	: 1.4225					
- Cheddar Single Daisies	:: 2.0500 - 2.5150	:: 2.1025 - 2.5675	:: 2.1475 - 2.6125	:: 2.2050 - 2.6700	:: 2.2250 - 2.7000	:: 2.3927	: 1.3650					
- Cheddar 40# Block	:: 2.1625 - 2.4150	:: 2.2150 - 2.4675	:: 2.2600 - 2.5125	:: 2.3175 - 2.5700	:: 2.3375 - 2.5900	:: 2.3978	: 1.3738					
- Process 5# Loaf	:: 2.2100 - 2.4125	:: 2.2575 - 2.4600	:: 2.3050 - 2.5075	:: 2.3500 - 2.5525	:: 2.3700 - 2.5725	:: 2.4118	: 1.3885					
- Process 5# Sliced	:: 2.2300 - 2.4700	:: 2.2775 - 2.5175	:: 2.3250 - 2.5650	:: 2.3700 - 2.6100	:: 2.3900 - 2.6300	:: 2.4506	: 1.4323					
- Muenster	:: 2.2650 - 2.4575	:: 2.3175 - 2.5200	:: 2.3625 - 2.5650	:: 2.4200 - 2.6225	:: 2.4400 - 2.6425	:: 2.4749	: 1.4400					
- Grade A Swiss Cuts 10 - 14#	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	: 2.4500					
WEST COAST (WSP, Delivered, LTL)												
- Process 5# Loaf	:: 2.1500 - 2.4100	:: 2.1950 - 2.4550	:: 2.2425 - 2.5025	:: 2.2875 - 2.5475	:: 2.3075 - 2.5675	:: 2.3783	: 1.3586					
- Cheddar 40# Block	:: 2.1525 - 2.5425	:: 2.2050 - 2.5950	:: 2.2450 - 2.6350	:: 2.3025 - 2.6925	:: 2.3225 - 2.7125	:: 2.4532	: 1.3120					
- Cheddar 10# Cuts	:: 2.3325 - 2.5525	:: 2.3850 - 2.6050	:: 2.4250 - 2.6450	:: 2.4825 - 2.7025	:: 2.5025 - 2.7225	:: 2.5482	: 1.5320					
- Monterey Jack 10#	:: 2.3425 - 2.5025	:: 2.3950 - 2.5550	:: 2.4350 - 2.5950	:: 2.4925 - 2.6525	:: 2.5125 - 2.6725	:: 2.5282	: 1.5120					
- Grade A Swiss Cuts 6 - 9#	:: 2.3700 - 2.6500	:: 2.3700 - 2.6500	:: 2.3700 - 2.7500	:: 2.4000 - 2.8000	:: 2.4300 - 2.8600	:: 2.5725	: 2.2886					
<b>FLUID PRODUCTS</b>												
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)												
- Northeast - f.o.b	:: 2.7916 - 3.1266	:: 2.5916 - 2.9022	:: 2.6917 - 2.9695	:: 2.9516 - 3.2327	:: 2.7911 - 3.1832	:: 2.9183	: 1.4217					
- Atlanta - dlvd. equiv.	:: 2.9033 - 3.1489	:: 2.5709 - 2.9234	:: 2.7345 - 2.9908	:: 2.9750 - 3.2561	:: 2.8603 - 3.2294	:: 2.9501	: 1.4185					
- Upper Midwest - f.o.b	:: 3.0150 - 3.1490	:: 2.8612 - 2.9026	:: 2.8840 - 2.9908	:: 3.1390 - 3.2795	:: 3.1140 - 3.2294	:: 3.0530	: 1.4081					
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.												
- Class II	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.8700 - 0.9300	:: 0.9000	: 0.9241					
- Class III	:: 0.8900 - 0.9200	:: 1.2400 - 1.3000	:: 1.2400 - 1.3000	:: 1.2400 - 1.3000	:: 1.2400 - 1.3000	:: 1.2368	: 0.7700					
NATIONAL EVAPORATED MILK (\$ per Case)												
(Case - 48 - 12 fluid oz cans)												
- Delivered Major U.S. Cities	::22.0000 -30.0000	::22.0000 -30.0000	::22.0000 -30.0000	::22.0000 -30.0000	::22.0000 -30.0000	::26.0000	: 24.0000					

MONTHLY SUMMARY AND AVERAGES FOR APRIL 2004 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, C/L/T/L)

COMMODITY	:REPORT NUMBER 13		:REPORT NUMBER 14		:REPORT NUMBER 15		:REPORT NUMBER 16		:REPORT NUMBER 17		2004	2003
	:-----:		:-----:		:-----:		:-----:		:-----:		Average	Average
	APR 01 - 02	APR 05 - 09	APR 12 - 16	APR 19 - 23	APR 26 - 30	or Total	or Total					
<b>DRY PRODUCTS</b>												
<b>NONFAT DRY MILK</b>												
— Central And East (f.o.b.)												
— Low/Medium Heat	:: 0.8175 - 0.9100	:: 0.8175 - 0.9100	:: 0.8175 - 0.9200	:: 0.8175 - 0.9800	:: 0.8175 - 0.9800	:: 0.8808	:: 0.8375					
— Mostly	:: 0.8175 - 0.8600	:: 0.8175 - 0.8600	:: 0.8375 - 0.8700	:: 0.8375 - 0.8700	:: 0.8575 - 0.8700	:: 0.8513	:: 0.8247					
— High Heat	:: 0.8525 - 0.9850	:: 0.8525 - 0.9850	:: 0.8525 - 1.0000	:: 0.8525 - 1.0700	:: 0.8525 - 1.1000	:: 0.9432	:: 0.8875					
— West (f.o.b.)												
— Low/Medium Heat	:: 0.8100 - 0.8825	:: 0.8100 - 0.8825	:: 0.8100 - 0.8850	:: 0.8100 - 0.9200	:: 0.8100 - 0.9400	:: 0.8573	:: 0.8377					
— Mostly	:: 0.8100 - 0.8200	:: 0.8100 - 0.8250	:: 0.8100 - 0.8300	:: 0.8100 - 0.8300	:: 0.8100 - 0.8400	:: 0.8201	:: 0.8023					
— High Heat	:: 0.8400 - 0.8500	:: 0.8400 - 0.8500	:: 0.8400 - 0.8800	:: 0.8400 - 0.8800	:: 0.8400 - 0.8800	:: 0.8552	:: 0.8333					
<b>WHEY POWDER (Nonhygroscopic)</b>												
— Central (f.o.b.)	:: 0.2550 - 0.2800	:: 0.2750 - 0.3200	:: 0.2850 - 0.3200	:: 0.2950 - 0.3200	:: 0.3050 - 0.3250	:: 0.3022	:: 0.1555					
— Mostly	:: 0.2600 - 0.2800	:: 0.2800 - 0.2900	:: 0.2850 - 0.3050	:: 0.2950 - 0.3150	:: 0.3050 - 0.3150	:: 0.2961	:: 0.1542					
— West (f.o.b.)	:: 0.1750 - 0.2500	:: 0.1800 - 0.2500	:: 0.1900 - 0.2575	:: 0.2100 - 0.2700	:: 0.2200 - 0.2800	:: 0.2304	:: 0.1495					
— Mostly	:: 0.2000 - 0.2250	:: 0.2100 - 0.2300	:: 0.2200 - 0.2350	:: 0.2300 - 0.2500	:: 0.2400 - 0.2700	:: 0.2335	:: 0.1431					
— Northeast (f.o.b.)	:: 0.2550 - 0.3300	:: 0.2750 - 0.3300	:: 0.2900 - 0.3300	:: 0.3000 - 0.3300	:: 0.3100 - 0.3350	:: 0.3107	:: 0.1654					
— Southeast (Delvd)	:: 0.2750 - 0.3100	:: 0.2950 - 0.3250	:: 0.3100 - 0.3400	:: 0.3200 - 0.3500	:: 0.3250 - 0.3600	:: 0.3249	:: 0.1830					
<b>WHEY PROTEIN CONCENTRATE</b>												
— Central And West (f.o.b.)												
— Extra Grade 34% Protein	:: 0.4500 - 0.5200	:: 0.4900 - 0.5500	:: 0.5375 - 0.5650	:: 0.5425 - 0.5900	:: 0.5675 - 0.6425	:: 0.5538	:: 0.5033					
— Mostly	:: 0.4825 - 0.5025	:: 0.5025 - 0.5325	:: 0.5375 - 0.5475	:: 0.5625 - 0.5725	:: 0.5875 - 0.6075	:: 0.5505	:: 0.4884					
<b>ANIMAL FEED - WHEY</b>												
— Central (f.o.b.)												
— Milk Replacer	:: 0.2200 - 0.2400	:: 0.2500 - 0.2800	:: 0.2500 - 0.2800	:: 0.2500 - 0.2800	:: 0.2500 - 0.2800	:: 0.2618	:: 0.1392					
<b>BUTTERMILK (Min. 30% protein)</b>												
— Central (f.o.b.)	:: 0.9800 - 1.0300	:: 1.0050 - 1.1500	:: 1.0050 - 1.1500	:: 1.0050 - 1.1500	:: 1.0775 - 1.2700	:: 1.0928	:: 0.6891					
— West (f.o.b.)	:: 0.9100 - 0.9600	:: 0.9100 - 0.9650	:: 0.9100 - 0.9750	:: 0.9100 - 0.9750	:: 0.9400 - 0.9800	:: 0.9447	:: 0.7173					
— Mostly	:: 0.9200 - 0.9400	:: 0.9300 - 0.9500	:: 0.9400 - 0.9600	:: 0.9400 - 0.9600	:: 0.9500 - 0.9700	:: 0.9482	:: 0.7150					
— Northeast (f.o.b.)	:: 0.8700 - 0.8800	:: 0.8800 - 1.0100	:: 0.8800 - 1.0100	:: 0.8800 - 1.0100	:: 0.9500 - 1.2500	:: 0.9739	:: 0.7088					
— Southeast (Delvd)	:: 0.9100 - 0.9400	:: 0.9100 - 1.0000	:: 0.9100 - 1.0000	:: 0.9100 - 1.0000	:: 0.9800 - 1.2500	:: 0.9886	:: 0.7370					
<b>WHOLE MILK POWDER</b>												
— National (f.o.b.)	:: 1.2425 - 1.5900	:: 1.3950 - 1.5900	:: 1.3950 - 1.6000	:: 1.3950 - 1.6000	:: 1.3950 - 1.5900	:: 1.4878	:: 1.1023					
<b>LACTOSE</b>												
— Central And West (f.o.b.)	:: 0.2200 - 0.2700	:: 0.2200 - 0.2700	:: 0.2200 - 0.2700	:: 0.2200 - 0.2700	:: 0.2200 - 0.2700	:: 0.2450	:: 0.1975					
— Mostly	:: 0.2300 - 0.2450	:: 0.2300 - 0.2450	:: 0.2300 - 0.2450	:: 0.2300 - 0.2450	:: 0.2300 - 0.2450	:: 0.2375	:: 0.1766					
<b>CASEIN - Edible - National (f.o.b.)</b>												
— Nonrestricted - Rennet	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.3500 - 2.5500	:: 2.4500	:: 2.0284					
— Nonrestricted - Acid	:: 2.3500 - 2.4800	:: 2.3500 - 2.4800	:: 2.3500 - 2.4800	:: 2.3500 - 2.4800	:: 2.3500 - 2.4800	:: 2.4150	:: 2.0000					

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR APRIL 2004

COMMODITY	REPORT NUMBER 13	REPORT NUMBER 14	REPORT NUMBER 15	REPORT NUMBER 16	REPORT NUMBER 17	2004 *	2003 *
	APR 1 - 2	APR 5 - 8	APR 12 - 16	APR 19 - 23	APR 26 - 30	Monthly Average	Monthly Average
<b>BUTTER*</b>							
-- GRADE AA							
--Monday	::	:: 2.0400	:: 2.3175	:: 2.3450	:: 2.1300	::	:
--Tuesday	::	::	::	::	::	::	:
--Wednesday	::	:: 2.2325	:: 2.3650	:: 2.3150	:: 2.1325	::	:
--Thursday	::	::	::	::	::	::	:
--Friday	:: 2.0300	:: #	:: 2.3450	:: 2.2600	:: 2.1325	:: 2.2204	: 1.0906
--Weekly Average**	:: 2.0733	:: 2.1363	:: 2.3425	:: 2.3067	:: 2.1317	::	:
<b>CHEESE*</b>							
-- BARRELS							
--Monday	::	:: 2.0775	:: 2.1200	:: 2.1700	:: 2.1525	::	:
--Tuesday	::	:: 2.0975	:: 2.1350	:: 2.1675	:: 2.1500	::	:
--Wednesday	::	:: 2.1000	:: 2.1350	:: 2.1550	:: 2.1450	::	:
--Thursday	:: 2.0750	:: 2.1000	:: 2.1550	:: 2.1550	:: 2.1450	::	:
--Friday	:: 2.0775	:: #	:: 2.1550	:: 2.1550	:: 2.1450	:: 2.1318	: 1.0902
--Weekly Average**	:: 2.0465	:: 2.0938	:: 2.1400	:: 2.1605	:: 2.1475	::	:
-- 40# BLOCKS							
--Monday	::	:: 2.1050	:: 2.1500	:: 2.2000	:: 2.1975	::	:
--Tuesday	::	:: 2.1275	:: 2.1500	:: 2.2000	:: 2.2000	::	:
--Wednesday	::	:: 2.1275	:: 2.2000	:: 2.2000	:: 2.1900	::	:
--Thursday	:: 2.1050	:: 2.1275	:: 2.2000	:: 2.2000	:: 2.1900	::	:
--Friday	:: 2.1050	:: #	:: 2.2000	:: 2.2000	:: 2.1675	:: 2.1687	: 1.1225
--Weekly Average**	:: 2.0760	:: 2.1219	:: 2.1800	:: 2.2000	:: 2.1890	::	:
<b>NONFAT DRY MILK*</b>							
-- EXTRA GRADE							
--Monday	::	:: 0.8400	:: 0.9050	:: 0.9200	:: 0.9200	::	:
--Tuesday	::	:: 0.8500	:: 0.9050	:: 0.9200	:: 0.9200	::	:
--Wednesday	::	:: 0.8800	:: 0.9200	:: 0.9200	:: 0.9200	::	:
--Thursday	:: 0.8400	:: 0.9050	:: 0.9200	:: 0.9200	:: 0.9400	::	:
--Friday	:: 0.8400	:: #	:: 0.9200	:: 0.9200	:: 0.9400	:: 0.9031	: 0.8400
--Weekly Average**	:: 0.8400	:: 0.8688	:: 0.9140	:: 0.9200	:: 0.9280	::	:
-- GRADE A							
--Monday	::	:: 0.8400	:: 0.9050	:: 0.9200	:: 0.9200	::	:
--Tuesday	::	:: 0.8400	:: 0.9050	:: 0.9200	:: 0.9200	::	:
--Wednesday	::	:: 0.8800	:: 0.9200	:: 0.9200	:: 0.9200	::	:
--Thursday	:: 0.8400	:: 0.9050	:: 0.9200	:: 0.9200	:: 0.9400	::	:
--Friday	:: 0.8400	:: #	:: 0.9200	:: 0.9200	:: 0.9400	:: 0.9026	: 0.8400
--Weekly Average**	:: 0.8400	:: 0.8663	:: 0.9140	:: 0.9200	:: 0.9280	::	:

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

\*\* Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

# No trading.

**A P R I L 2004 DEIP BID ACCEPTANCES**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
JULY 2003 – MARCH 2004	<b>NONFAT DRY MILK</b>	68,201		
APRIL 1 - 30, 2004		<u>0</u>		
JULY 2003 – APRIL 2004		<u>68,201</u>		
JULY 2003 – MARCH 2004	<b>CHEESE</b>	3,030		
APRIL 1 - 30, 2004		<u>0</u>		
JULY 2003 – APRIL 2004		<u>3,030</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
JULY 2003 –MARCH 2004	<b>BUTTERFAT</b>	0		
APRIL 1 - 30, 2004		<u>0</u>		
JULY 2003 – APRIL 2004		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
				<b>PROGRAM TO DATE</b>
TOTAL MT				71,231
TOTAL BONUS VALUE				\$5,433,241

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture’s Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

Allocations for the DEIP year beginning July 1, 2003: Nonfat Dry Milk – 68,201 MT; Cheese – 3, 030 MT; Butterfat – 21, 097 MT

Allocations are being announced in stages. Stage one is for 22,733 MT of Nonfat Dry Milk, 7,032 MT of Butter and 1,010 MT of Cheese.

Stage 2 was for 45,468 MT of Nonfat Dry Milk and 2,020 MT of Cheese.

## APRIL AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2004 was unchanged at 133. Compared with April 2003, the index was up 5 points (3.9 percent). The index of prices received by farmers for dairy products advanced 20 points during the month of April 2004 to 138. Compared with April 2003, the index was up 54 points (64.3 percent).

Prices received by farmers in April 2004 with changes from March 2004 were: for All Milk, \$18.00 per hundredweight (cwt.), up \$2.60; for Fluid Grade Milk, \$18.00 per cwt., up \$2.60; and for Manufacturing Grade Milk, \$18.60 per cwt., up \$3.40.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., APRIL 2004 WITH COMPARISONS

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	MARCH		APRIL		APRIL		APRIL		APRIL	
	2004	2003 2/	2004 4/	2003 2/	2004 4/	2003 2/	2004 7/	2003 8/	2004	2003
CA	14.01	9.92	16.50	9.97	1,550	1,250	46.00	39.50	109.00	97.00
ID	15.00	10.00	17.50	10.10	1,650	1,350	47.10	40.00	82.00	89.00
MI	15.30	11.00	17.80	11.10	1,600	1,350	48.00	40.00	114.00	99.00
MN	16.60	10.70	20.30	11.00	1,600	1,290	52.50	44.10	68.00	68.00
NM	14.40	10.70	16.00	10.70	1,590	1,350	49.40	39.70	138.00	142.00
NY	15.80	11.70	17.90	11.80	1,490	1,250	---	---	109.00	116.00
PA	16.70	12.50	19.40	12.50	1,500	1,300	48.10	39.20	130.00	145.00
TX	15.30	11.70	16.50	11.50	1,650	1,350	49.40	38.40	67.00	69.00
WA	15.10	11.00	17.00	11.00	1,720	1,290	---	---	88.00	114.00
WI	16.40	11.00	20.40	11.10	1,600	1,330	49.30	40.70	90.00	71.00
U.S.	15.40	11.00	18.00	11.00	1,580	1,300	49.00	40.20	89.60	94.50

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

## MILK AND OTHER GENERAL PRICE MEASURES, U.S., APRIL 2004 WITH COMPARISONS

ITEM	APRIL 2003	MARCH 2004 2/	APRIL 2004 3/
<b>PRICES RECEIVED BY FARMERS, dol. per cwt., at reported butterfat test:</b>			
All milk	11.00	15.40	18.00
Fluid grade milk	11.00	15.40	18.00
Manufacturing grade milk	10.00	15.20	18.60
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for all farm products	101	121	124
Prices received by farmers for dairy products	84	118	138
Prices paid by farmers for commodities and services, interest taxes, and wage rates	128	133	133
Prices paid by farmers for production items	124	130	131
Prices paid by farmers for feed	113	129	131
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	2.25	2.80	3.11

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and whole wheat.

**SOURCE:** "Agricultural Prices," Pr 1 (4-04), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, APRIL

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for April 2004 is \$2.5013 per pound. Thus, the Class II butterfat price is \$2.5083. The protein and other solids prices for April are \$3.4465 and \$0.1042 per pound, respectively. These component prices set the Class III skim milk price at \$11.30 per cwt. The April Class IV skim milk price is \$6.03 which is derived from the nonfat solids price of 0.6703 per pound. **Product Price Averages:** The product price averages for April are; butter \$2.1994, nonfat dry milk \$0.8171, cheese \$2.0520, and dry whey \$0.2602.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	APRIL 2004				MAY 2004
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	16.89	15.21	19.66	14.57	22.90
Appalachian (Charlotte) 5/	005	16.74	15.21	19.66	14.57	22.75
Southeast (Atlanta) 6/	007	16.74	15.21	19.66	14.57	22.75
Florida (Tampa) 7/	006	17.64	15.21	19.66	14.57	23.65
Mideast (Cleveland) 8/	033	15.64	15.21	19.66	14.57	21.65
Upper Midwest (Chicago) 9/	030	15.44	15.21	19.66	14.57	21.45
Central (Kansas City) 10/	032	15.64	15.21	19.66	14.57	21.65
Southwest (Dallas) 11/	126	16.64	15.21	19.66	14.57	22.65
Arizona-Las Vegas (Phoenix) 12/	131	15.99	15.21	19.66	14.57	22.00
Western (Salt Lake City) 13/	135	---	---	---	---	---
Pacific Northwest (Seattle) 14/	124	15.54	15.21	19.66	14.57	21.55
All-Market Average	---	16.29	15.21	19.66	14.57	22.30

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.  
 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.  
 3/ Names in parentheses are the major city in the principal pricing point of the market.  
 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.  
 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.  
 6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.  
 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.  
 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.  
 9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.  
 10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.  
 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.  
 12/ Class I price at Las Vegas is minus \$0.35.  
 13/ Effective April 1, 2004, the Western Milk Marketing Order was terminated.  
 14/ Class I prices at other cities are: Portland, same; and Spokane, same.

MARCH 2004 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 97.7 million pounds in March, 22.7 percent below March 2003 and 7.7 percent below February 2004. **AMERICAN TYPE CHEESE** production totaled 325.0 million pounds, 2.3 percent above March 2003 and 9.3 percent above February 2004. **TOTAL CHEESE** output (excluding cottage cheese) was 778.8 million pounds, 6.6 percent above March 2003 and 10.6 percent above February 2004. **NONFAT DRY MILK** production, for human food, totaled 118.1 million pounds, 24.0 percent below March 2003 but 2.0 percent above February 2004. **DRY WHEY** production, for human food, was 81.5 million pounds, 10.7 percent below March 2003 but 6.3 percent above February 2004. **ICE CREAM** (hard) production totaled 79.7 million gallons, 5.3 percent above March 2003 and 21.1 percent above February 2004.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	MAR 2004	PERCENT CHANGE FROM:			PRODUCT	MAR 2004	PERCENT CHANGE FROM:		
	1,000 LBS.	MAR 2003	FEB 2004	YEAR TO DATE 1/		1,000 LBS.	MAR 2003	FEB 2004	YEAR TO DATE 1/
BUTTER	97,654	-22.7	-7.7	-22.4	SOUR CREAM	83,179	6.2	14.2	
CHEESE					YOGURT (PLAIN AND FLAVORED)	234,357	7.4	11.7	---
AMERICAN TYPES 2/	324,988	2.3	9.3	-0.7	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	242,920	1.0	8.8	-2.7	SWEET-TYPE, HUMAN FOOD	7,196	-27.8	-12.1	---
SWISS	24,079	13.2	11.5	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	6,112	-18.5	11.9	---	DRY WHEY, HUMAN FOOD	81,457	-10.7	6.3	---
CREAM & NEUFCHATEL	57,418	7.9	16.8	---	DRY WHEY, ANIMAL FEED	10,686	46.5	47.0	---
HISPANIC	11,699	0.7	7.1	---	DRY WHEY, TOTAL	92,143	-6.5	9.8	-8.1
MOZZARELLA	261,805	10.2	9.1	9.0	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	68,239	9.5	14.7	4.3	HUMAN FOOD	4,295	115.5	35.4	---
TOTAL ITALIAN TYPES	330,044	10.1	10.2	8.0	ANIMAL FEED	3,625	5.2	-2.3	---
ALL OTHER TYPES	24,482	28.3	20.0	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	55,917	13.4	9.0	---
TOTAL	778,822	6.6	10.6	3.8	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	42,585	12.8	17.6	---	HUMAN FOOD	25,675	-2.8	8.5	---
COTTAGE CHEESE, CREAM 4/	34,682	9.9	13.2	0.3	ANIMAL FEED	3,510	16.8	0.5	---
COTTAGE CHEESE, LOWFAT 5/	34,974	9.3	14.3	0.8					
CANNED EVAPORATED & CONDENSED					<b>FROZEN PRODUCTS</b>	<b>1,000 GALLONS</b>	<b>PERCENT CHANGE FROM:</b>		
WHOLE MILK	47,310	-8.5	23.3	---	ICE CREAM (HARD)	79,722	5.3	21.1	-6.6
DRY WHOLE MILK	3,428	2.0	-13.7	---	ICE CREAM, LOWFAT (HARD)	10,605	20.9	29.1	---
NONFAT DRY MILK, HUMAN FOOD	118,074	-24.0	2.0	-19.4	ICE CREAM, LOWFAT (SOFT)	25,538	22.5	37.2	---
DRY SKIM MILK, ANIMAL FEED	316	-15.7	-2.8	---	ICE CREAM, LOWFAT (TOTAL)	36,143	22.0	34.7	13.0
DRY BUTTERMILK	4,387	-23.6	-17.0	---	SHERBET (HARD)	5,584	19.2	40.5	-10.8
					YOGURT (TOTAL)	6,164	6.2	23.9	-6.7

MANUFACTURERS' STOCKS, END OF MONTH 7/								
PRODUCT	MAR 2004	PERCENT OF:		PRODUCT	MAR 2004	PERCENT OF:		
	1,000 LBS.	MAR 2003	FEB 2004		1,000 LBS.	MAR 2003	FEB 2004	
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE				
DRY WHEY, HUMAN FOOD	31,727	-28.1	-2.8	HUMAN FOOD	19,918	-28.0	-13.9	
DRY WHEY, ANIMAL FEED	4,455	196.8	-23.2	ANIMAL FEED	2,307	30.6	-36.0	
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	7,117	-32.2	1.1	CANNED EVAPORATED & CONDENSED WHOLE MILK	47,978	-9.2	5.1	
LACTOSE, HUMAN FOOD & ANIMAL FEED	50,709	14.6	7.3	NONFAT DRY MILK FOR HUMAN FOOD	89,450	-27.0	-6.0	
DRY BUTTERMILK, TOTAL	6,108	-33.9	15.8					

1/ 2004 cumulative as percent change of 2003 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Stocks held by manufacturers at all points and in transit. 8/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (5-04), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

**CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)**

	FOR THE WEEK OF MAY 3 - 7, 2004			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/03	SAME PERIOD LAST YEAR	WEEK ENDING 04/30/04	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-42,309	9,096,818	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	697,680	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-42,309	9,794,498	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	6,232,244	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	5,545,706	-0-	-0-
Process	-0-	-0-	-0-	-0-	20,948,400	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	32,726,350	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	-0-	-0-	-0-	262,404,191#	422,719,459	622,579,000	1,233,025,000
Fortified	-0-	-0-	-0-	-119,048	125,332	46,391,000	46,391,000
<b>TOTAL</b>	-0-	-0-	-0-	262,285,143	422,844,791	668,970,000	1,279,416,000

# Export Donation Program under Invitation 080 to announcement FMP1. The cumulative under Invitation 080 is 21,102,778. \$ Includes export donation deliveries under Invitation 070.

**MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)**

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MAY 3 - 7, 2004 =	0.0	0.0	COMPARABLE PERIOD IN 2003 =	56.0	304.3
CUMULATIVE SINCE OCTOBER 1, 2003 =	56.8	3,053.0	CUMULATIVE SAME PERIOD LAST YEAR =	608.6	5,247.1
CUMULATIVE JANUARY 1 - MAY 7, 2004 =	31.3	1,703.7	COMPARABLE CALENDAR YEAR 2003 =	534.5	3,981.5

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22  
 \*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

**CCC ADJUSTED PURCHASES FOR THE WEEK OF MAY 3 - 7, 2004 (POUNDS)**

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

**CCC ADJUSTED PURCHASES SINCE 10/1/03 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL**

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
CENTRAL	-0-	-0-	-0-	21,159,972	7,646,276	15,063,502	3.0	32.6
WEST	-42,309	9,794,498	-0-	11,566,378	250,355,093	385,737,222	95.4	66.6
EAST	-0-	-0-	-0-	-0-	4,283,774	22,044,067	1.6	0.8
<b>TOTAL</b>	-42,309	9,794,498	-0-	32,726,350	262,285,143	422,844,791	100.0	100.0

**NDM SELLBACK TO THE TRADE NOTE:** the cumulative sellback total for 2004 was corrected to **64,632,894 pounds**.

**NOTE:** Sales of CCC-owned NDM to the trade for unrestricted use were reinstated May 4 on competitive bid basis.

**SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002**

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

**U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/17/04 & Comparable Week 2003**

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2004-Dairy	0.0	0.7	6.6	4.7	13.8	2.5	0.7	0.8	9.4	2.8	42.0	769.5	47.1	49.4
2003-Dairy	0.2	0.7	7.1	4.4	22.1	2.4	0.3	0.7	13.2	3.0	54.1	918.8	47.8	49.8
2004-All cows	0.1	0.7	8.1	9.6	24.0	11.5	16.2	2.8	11.0	5.0	89.1	1,557.6		
2003-All cows	0.2	0.9	9.6	13.9	32.6	14.9	15.9	3.6	14.9	6.8	113.2	1,846.8		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

**CLASS III MILK PRICES, (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87

**FEDERAL MILK ORDER CLASS PRICES FOR 2004 (3.5% BF)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.85	11.59	11.94	13.64	19.65							
II	11.67	12.90	14.79	15.21								
III	11.61	11.89	14.49	19.66								
IV	10.97	12.21	14.10	14.57								

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dyfmoms/mib/cls\\_prod\\_cmp\\_pr.htm](http://www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm)